



PS&NS Committee, February 15, 2012

# **TAXICAB PERMIT POLICY**

# BACKGROUND



- ✖ Each taxicab vehicle represents one taxicab permit
- ✖ A taxicab driver is not necessarily a permit holder
- ✖ SD County Sheriff regulates & licenses taxicab drivers
- ✖ City regulates the taxicab vehicles, permits, and permit holders
- ✖ MTS administers the program on the City's behalf under an MOU

# POLICY



- ✘ In 1983, due to a surplus of taxicabs, moratorium imposed
- ✘ 2001 moratorium ended;
  - + Council authorized 135 new permits
  - + four methods of distribution
  - + Permit study required to evaluate the process
- ✘ Study was completed by a consultant in late 2011
- ✘ This Report to Council presents the consultant's conclusions & City staff recommendations for Council Policy 500-02

# THREE PRIMARY ISSUES



- ✘ How many taxicab permits should there be?
- ✘ If new permits are issued, what distribution methods should be used?
- ✘ How can the permit issuance and transfer process be used to improve quality and customer service?

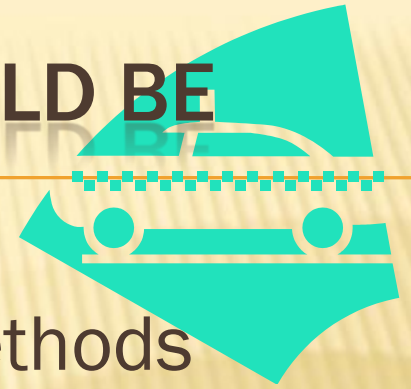


# HOW MANY PERMITS?



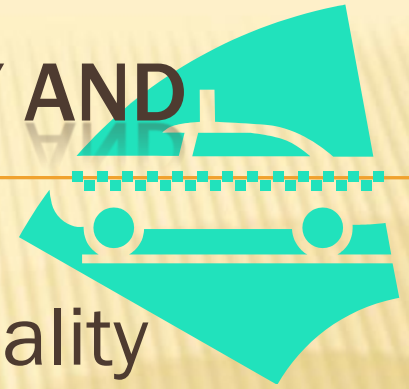
- ✘ The amount of business for taxicabs has dropped since 1999, reducing fare revenue to drivers
- ✘ Number of permits calculated based on a lease driver's ability to earn enough to net at least the equivalent of a minimum wage income
- ✘ We now have 1005 authorized permits; economic formula based on current conditions yields only 738
- ✘ New permits not needed now

# WHAT DISTRIBUTION METHODS SHOULD BE USED?



- ✖ Consultant studied four distribution methods
  - + Lottery of individual permits to experienced lease drivers
  - + RFP for individual permits to experienced leased drivers
  - + RFP for blocks of permits existing and new companies
  - + Auction of permits
- ✖ Consultant recommends requiring a high standard of service to qualify for a lottery

# CAN THE PROCESS IMPROVE QUALITY AND CUSTOMER SERVICE?



- ✗ Require high standards of service quality improvement for all new permits and transferred permits
- ✗ High standards may include:
  - + Vehicles meeting energy-efficiency & clean air standards
  - + Vehicles meeting ADA standards
  - + Security measures in vehicles
  - + GPS, credit cards, computerized dispatch



# RECOMMENDED CHANGES TO COUNCIL POLICY

## 500-02



- ✗ Adopt the consultant's economic formula
- ✗ Calculate the formula every three years to determine need
- ✗ Require applicants receiving new permits to meet high customer service standards
- ✗ Distribute new permits by lottery to those who meet screening criteria
- ✗ 60% of permits for companies; 40% to individual lease drivers
- ✗ Transferred permits must meet same screening criteria as new permits



# SUMMARY



- ✖ Taxicab permit policy should encourage healthy balance between supply and demand for the benefit of customers, permit holders, and lease drivers
- ✖ Policy should encourage improving customer service and quality standards
- ✖ Policy should provide fairness for lease drivers for income and permit opportunities